

FIELDSTONE OWNERS ASSOCIATION
Board of Directors Meeting
EXECUTIVE SESSION
Meeting Agenda
January 3, 2024 at 10am

**EXECUTIVE SESSION AGENDA
(Board Members Only – Closed to Homeowners)**

1. Meeting Called to Order
2. Board Attendance
3. The Board will consider the attached proposal for bookkeeping services for \$80/hour from Ebbetts Pass Accounting. The board will also consider how to handle bank account access, check signatories and other policies/procedures if the contract is approved.
4. Adjournment

**Ebbetts Pass Accounting
178 Big Trees Rd, Suite A6
Murphys, CA 95247
(209) 795-1921
Fax: (209) 795-2092**

December 29, 2023

Fieldstone HOA
Murphys, CA 95247

Dear Jeff:

This letter is to confirm Ebbetts Pass Accounting understanding of the terms and objective of Ebbetts Pass Accounting engagement and the nature and limitations of the services we will provide. Please read this letter carefully as it is important to both Ebbetts Pass Accounting (EPA) and Fieldstone HOA that you understand and accept the terms under which we have agreed to perform EPA services, as well as FIELDSTONE HOA's responsibilities under this agreement.

Accounting Services

The objective of the EPA engagement is to provide accounting services, which will include but not limited to posting to Quickbooks receipts, paying bills, reconciling the bank account and taking deposits to the bank, and prepare FIELDSTONE HOA financial statements, in accordance with the financial reporting framework FIELDSTONE HOA, cash basis, based on information provided by FIELDSTONE HOA. EPA will not audit, review, or compile these financial statements. By your signature below you acknowledge and agree that no report will accompany the financial statements.

EPA Monthly Responsibilities:

- Enter Approved Invoices
- Prepare payment checks for signature – signed by Fieldstone HOA Board member
- Monthly Bank Reconciliation
- Provide monthly financial statements to include:
 1. Profit & Loss year over year comparison
 2. Balance Sheet year over year comparison
 3. Profit & Loss to Budget comparison
 4. Check Register
 5. Copy of deposited checks
 6. Accounts Receivable
 - Prepaid

- Delinquency

As accounting services differ significantly from a compilation, review, or an audit of financial statements, the information provided by FIELDSTONE HOA will not be verified, corroborated, compiled, reviewed, or audited. Additionally, this engagement does not contemplate obtaining an understanding of the entity's internal control; assessing fraud risk; tests of accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images); or other procedures ordinarily performed in an audit or review of financial statements. Therefore, this engagement does not provide a basis for expressing an opinion or a conclusion; nor will EPA express any level of assurance on the financial statements being prepared. Accordingly, no form of assurance will be given on the financial statements.

Because EPA is performing accounting services as accountants rather than as auditors, FIELDSTONE HOA should not record or describe EPA services as an "audit" or "auditing" in its minutes or books of record.

If, for any reason, EPA is unable to complete the accounting of FIELDSTONE HOA's financial statements, if applicable, EPA will not issue such statements as a result of this engagement.

Kelley Ziehlke is the engagement partner for the accounting services specified in this letter. Her responsibilities include supervising EPA's services performed as part of this engagement.

Responsibilities of FIELDSTONE HOA and Those Charged with Governance

FIELDSTONE HOA is responsible for providing EPA with access to all information of which FIELDSTONE HOA is aware that is relevant to the preparation of the financial statements, such as records, documentation, and other matters, as well as additional information EPA may request. FIELDSTONE HOA will also provide EPA with unrestricted access to persons within the entity with whom EPA determines is necessary to communicate. By your signature below, FIELDSTONE HOA understand and agree that FIELDSTONE HOA is responsible for the accuracy and completeness of the records, documents, explanations, and other information provided to EPA, including FIELDSTONE HOA's significant judgments impacting the preparation of the financial statements.

As outlined in this letter, EPA will prepare FIELDSTONE HOA financial statements, and may advise FIELDSTONE HOA about appropriate accounting principles and their application, but the final responsibility for the preparation of the financial statements in accordance with the financial reporting framework FIELDSTONE HOA selected, cash basis of accounting, remains with FIELDSTONE HOA. Also, as part of EPA engagement, EPA may propose standard, adjusting, or correcting journal entries to FIELDSTONE HOA financial statements. FIELDSTONE HOA however, has final responsibility for reviewing and accepting the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. FIELDSTONE HOA understands that the financial statements prepared in accordance with the terms of this letter will not be accompanied by a report; and agrees that the financial statements, if applicable, will clearly indicate that no assurance is provided on them.

In addition, FIELDSTONE HOA is responsible for establishing and maintaining internal controls, including monitoring ongoing activities. This includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; as well as identifying and ensuring that the organization complies with the laws and regulations applicable to its activities. EPA will have no responsibility to identify and communicate deficiencies in FIELDSTONE HOA internal controls as part of this engagement.

It is EPA's understanding that FIELDSTONE HOA has designated qualified individuals with suitable skills, knowledge and/or experience, preferably within FIELDSTONE HOA, to be responsible and accountable

for overseeing the preparation of the financial statements performed as part of this engagement. By your signature below, FIELDSTONE HOA acknowledges that FIELDSTONE HOA agrees to evaluate the adequacy of, and accept responsibility for, the results of all the services performed as part of this agreement.

EPA engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or illegal acts that may have occurred. By your signature below, FIELDSTONE HOA understands and agrees that FIELDSTONE HOA are responsible for preventing and detecting fraud.

Other Matters

In accordance with the terms and conditions of this agreement, FIELDSTONE HOA shall be responsible for the accuracy and completeness of all data, information and representations provided to EPA for purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of EPA services, FIELDSTONE HOA releases and indemnifies EPA firm and its personnel from any and all claims, liabilities, costs and expenses attributable to any misrepresentation by FIELDSTONE HOA and its representatives.

EPA fees for this work will be at EPA regular hourly rates for the individuals involved plus direct out-of-pocket expenses. Payment for services is due when the services are rendered, and interim billings may be submitted as work progresses and expenses are incurred.

EPA fees and completion of EPA work are based upon anticipated cooperation from FIELDSTONE HOA's personnel; timely responses to EPA inquiries; timely communication of all significant accounting, and financial matters; and the assumption that unexpected circumstances will not be encountered during the engagement.

In addition, in the event EPA or any of its employees or agents is called as a witness or requested to provide any information (whether oral, written, or electronic) in any judicial, quasi-judicial, or administrative hearing or trial regarding information or communications that FIELDSTONE HOA have provided to EPA, or any documents and workpapers prepared by EPA in accordance with the terms of this agreement, FIELDSTONE HOA agrees to pay any and all reasonable expenses, including fees and costs for EPA time at the rates then in effect, as well as any legal or other fees that EPA incurs as a result of such appearance or production of documents.

Billings become delinquent if not paid within 30 days of the invoice date. If billings are past due in excess of 60 days, at EPA's election, EPA may stop all work until FIELDSTONE HOA account is brought current or withdraw from this engagement. FIELDSTONE HOA acknowledges and agrees that EPA is not required to continue work in the event of FIELDSTONE HOA's failure to pay on a timely basis for services rendered as required by this engagement letter. FIELDSTONE HOA further acknowledges and agrees that in the event EPA stop work or withdraw from this engagement as a result of FIELDSTONE HOA's failure to pay on a timely basis for services rendered as required by this engagement letter, EPA will not be liable for any damages that occur as a result of EPA ceasing to render services.

In connection with this engagement, EPA may communicate with FIELDSTONE HOA or others via email transmission. EPA takes reasonable measures to secure FIELDSTONE HOA confidential information in EPA email transmissions, including password protecting confidential documents. However, as email can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom it is directed and only to such parties, EPA cannot guarantee or warrant that email from EPA will be properly delivered and read only by the addressee. Therefore, EPA specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure or communication of email transmissions, or for the unauthorized use or failed delivery of email transmitted by EPA in connection with the performance of this engagement. In that regard, FIELDSTONE

HOA agree that EPA shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of sales or anticipated profits, or disclosure or communication of confidential or proprietary information.

It is EPA's policy to keep records related to this engagement for five years. However, EPA does not keep any original client records, EPA will return the records to FIELDSTONE HOA at the completion of the services rendered under this engagement. When records are returned to FIELDSTONE HOA, it is FIELDSTONE HOA's responsibility to retain and protect FIELDSTONE HOA's records for possible future use, including potential examination by any government or regulatory agencies.

By FIELDSTONE HOA's signature below, you acknowledge and agree that upon the expiration of the five-year period, EPA shall be free to destroy EPA's records related to this engagement.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the FIELDSTONE HOA under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the FIELDSTONE HOA, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

We will be pleased to discuss this letter with you at any time.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Sincerely,

Kelley Ziehlke
Ebbetts Pass Accounting

Acknowledged:

Jeff Muscatine
Fieldstone HOA President

Date